

THE Mentor

News from the State Retirement and Pension System of Maryland

SUMMER 2004
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STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND

John Douglass elected to Board of Trustees

MEMBERS AND RETIREES

of the Employees' Systems elected John Douglass to the Board of Trustees of the State Retirement and Pension System of Maryland in this spring's special Trustee election.

Mr. Douglass retired from the Maryland House of Delegates after 24 years of public service. He was Joint Budget and Audit Committee Chairman for 13 years and more recently served as Deputy Director of the Maryland State Department of Assessments and Taxation.

Your Personal Statement of Benefits

EACH ACTIVE MEMBER of the State Retirement and Pension System (SRPS) this fall will receive by mail a Personal Statement of Benefits (PSB) summarizing his or her retirement account. The information contained in the PSB reflects your account status as of June 30, 2004. Your annual PSB is a valuable tool for retirement planning.

The death benefits shown on the PSB apply only to active members. If you should go off payroll prior to retiring and are not on a State Retirement

See *Your Personal Statement of Benefits*, page 2

Dear Member:

OUR EFFORTS OVER THE PAST TWO YEARS of very hard work are all coming together as indicated by the strong investment performance results for the past fiscal year. On July 20, 2004, the State Retirement and Pension System announced improved results in all categories of our investment program for the fiscal year ending June 30, 2004. Over the past fiscal year, assets have increased to \$30.1 billion, a \$3.4 billion increase from the 2003 fiscal year end level of \$26.6 billion, a 16.2% gain for the year. Overall equity returns for the fund were 23.1% due to strong results in the U.S. equity, international markets and private equity sectors. Returns on real estate in the fund also were above 20%. Please review the details on our Web site.

While these results are most encouraging, achieving our investment goals requires continued discipline, prudence and vigilance over the long term. Your retirement fund has the professional team in place necessary to do the job. It's not a one-person effort but a team effort involving staff, consultants, managers and trustees all working together for a common goal – assuring the security and enhancement of your pension funds. The Board is pleased with our progress to date and is determined to continue that progress. We hope you share our enthusiasm. Your benefits continue to be safe and secure.

Thank you for your confidence and support as we build for the future.

Sincerely,

William Donald Schaefer
Chairman

Nancy K. Kopp
Vice Chairman

Agency approved leave of absence, your designated beneficiary(ies) will only receive your accumulated contributions, if any, with interest at your death.

Answers to frequently asked questions about the PSB are provided below.

Why is my enrollment date later than my employment date?

Most employees' enrollment date is the first day of the month they started working. A later date may appear for employees who began work prior to the mid-seventies. Processing requirements at the time caused a one or two month delay between the member's first day on the job and the start of retirement contributions from the member's paycheck. To purchase this lapsed time, submit a Form 26, *Request to Purchase Previous Service*. This purchased time will be listed under Service Credit in the following year's PSB, but your enrollment date will remain the same.

Why isn't my military credit listed?

It's up to each eligible member to claim military service. Military service is not automatically credited to a member's account. File a Form 43, *Claim of Retirement Credit for Active Duty Military Service*, to apply for military credit. Members who serve in the U.S. armed forces or Maryland National Guard during their SRPS membership may claim military credit immediately under certain conditions. Members whose military duty

preceded SRPS membership must have 10 years of retirement credit before claiming military service.

Why do I have a "deficiency" under contributions?

When sufficient retirement deductions are not made during any pay period, the word "deficiency" appears. The deficiency equals the amount of the missing contribution, plus interest applied at the end of each fiscal year.

This year's PSB shows contribution deficiencies for members subject to a 2% payroll contribution. These deficiencies were not included in previous years' statements.

To repay a contribution deficiency, members should contact the Retirement Agency and request to be billed for this amount. Payment made before the end of the fiscal year carries no interest for that year. If a contribution deficiency exists when a member retires, the benefit paid will be actuarially reduced.

How do I change beneficiaries?

To change beneficiaries, contact your personnel office and request *Beneficiary Designation* (Form 4.) It is vital to keep beneficiary choices up to date, because when a member dies during active membership, survivor benefits are paid to his or her designated beneficiary(ies).

Why isn't early retirement listed?

The space under Early Service is left blank for members who reach regular service retirement age before earning the required years of service for early retirement, if applicable.

What about part-time employment?

Service credit may be overstated on the PSB for persons who worked part time during their membership. This is especially likely for members who transferred from the Retirement System to the Pension System. The PSB assumes all future service as full time, so if you are working part time now, your benefits may be overstated.

What's a PIN?

A member's PIN (Personal Identification Number) is a four digit code consisting of the month and year of his or her enrollment. Members can use their PIN and Social Security number to access retirement account information via the SRPS automated phone system.

What if I have other questions concerning my PSB?

If something on your PSB doesn't seem correct, note the discrepancy and send a photocopy of your statement to the address below. Also, indicate how you arrived at your conclusion. Address your correspondence to: State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202-6700.

Have you changed employers?

HAVE YOU RECENTLY changed employers, causing you to join a different retirement plan? Has the plan name printed on your PSB (top of second page) changed since last year's PSB? If so, you may be eligible to transfer service credit from your prior retirement plan into your current plan.

To qualify for the transfer of service, your employment

must be *continuous* and you must apply to transfer the qualified credit *within one year* of becoming a member of your new retirement or pension system. To receive the full benefit allowance in your new system based on your transferred service, you cannot retire within five years of your transfer. Call the State Retirement Agency at 410-625-5555 or toll free at 1-800-492-5909 for more information.

Trustee election ballots to be distributed in September

BALLOTS FOR THIS SUMMER'S special Trustee election will be distributed to eligible voters on September 13. The election will determine the successor to Trustee Arthur N. Caple, Jr., who passed away in May after nearly 20 years of dedicated service on the State Retirement and Pension System's Board of Trustees.

Voters in this election must be retired or active members of the Employees' Retirement or Pension Systems, Judges' Retirement System, Correctional Officers' Retirement System, Law Enforcement Officers' Pension System, Local Fire and Police System, or Legislative Pension Plan. The successful candidate will serve as Trustee for the remainder of the late Mr. Caple's term, which expires on July 31, 2005.



Eligible voters who have not received a ballot by September 21 may request a ballot from Election Services Corporation at 1-866-720-4357.

Retirement System members have a December 2004 deadline for transferring to the Pension System or changing to Plan B or C

Transfers prohibited after that date

Members of the Employees' and Teachers' Retirement System who want to transfer to the Pension System must do so no later than December 7, 2004. Legislation enacted in Annapolis this year prohibits such transfers after that date.

A transfer to the Pension System does not always allow for the same amount of service to be granted. If you had periods of part-time service or months when you did not work the entire month, your service will decrease when you transfer.

If you wish to transfer, do not delay. Obtain from the State

Retirement Agency an *Application to Transfer from the Retirement System to the Pension System* (Form 86.) Submit the completed form to the Agency no later than December 7, 2004. Once your application is processed, you will be enrolled in the Pension System with the following formula:

$$.008 \times \text{AFC}^* \text{ up to the SSIL}^{**} \\ \text{plus}$$

$$.015 \times \text{AFC} \text{ above the SSIL} \\ \text{multiplied by}$$

Total years and months of service credit

*AFC = Average Final Compensation

**SSIL = Social Security Integration Level. The SSIL for 2004 is \$41,700.

Changing Plans

Recent legislation also set a deadline for Retirement System members who want to change retirement plans. Members of Retirement System Plans A or B who wish to step down to Plan B or Plan C, as appropriate, must do so by December 31, 2004. Stepping down will change your contribution rate, cost-of-living adjustment (COLA) benefits, and may even change your retirement benefits. Please contact the State Retirement Agency if you want to make this change.

For more information, contact a retirement benefits counselor at 410-625-5555 or toll free at 1-800-492-5909.

State Retirement Agency

Regional Counseling Schedule, 2004-2005

RETIREMENT COUNSELORS FROM THE

State Retirement and Pension System regularly travel throughout Maryland to assist members planning for retirement. Counselors will visit the following locations on the dates listed. To schedule an appointment with a counselor visiting your area, call 410-625-5555 or toll free 1-800-492-5909.

Allegany County

Allegany College of Maryland
College Center Building, Conference Room 101
Cumberland
Oct. 15, Nov. 19, Apr. 15, May 27

Anne Arundel County **Comptroller's Office**

Room 305, Goldstein Treasury Bldg.
80 Calvert St., Annapolis
Sept. 2, Oct. 7, Nov. 4, Dec. 2, Feb. 3, Mar. 3, Apr. 7, May 5

Calvert County **Board of Education**

Board Room
1305 Dares Beach Rd., Prince Frederick
Sept. 20, Oct. 18, Nov. 15, Mar. 14, Apr. 18, May 16

Carroll County **Carroll County Government**

Room 106, County Office Building
225 N. Center St., Westminster
Sept. 24, Oct. 22, Nov. 19, Dec. 17, Mar. 25, Apr. 29, Jun. 3

Cecil County **Various Public Schools**

Call the State Retirement Agency for locations
Nov. 1, Feb. 22, Mar. 21, Apr. 25

Charles County **Board of Education**

Room 121, Central Office Bldg.
LaPlata
Sept. 21, Oct. 19, Jan. 25, Mar. 29, May 23

Dorchester County **Eastern Shore Hospital Center**

Room 717
Cambridge
Oct. 5, Dec. 7

Frederick County **Frederick Community College**

Room A 200 E, Administration Bldg.
Frederick
Oct. 8, Nov. 5, Dec. 10, Jan. 14, Mar. 4, May 6

Garrett County **Garrett College**

Room 303, Continuing Education Bldg.
McHenry
Oct. 14, Nov. 18, Apr. 14, May 26

Harford County **Harford County Government Center**

Dept. of Human Resources
First Floor Conference Room
220 S. Main St., Bel Air
Sept. 23, Nov. 17, Dec. 1

Howard County **Howard Community College**

Room ST-251, Science and Technology Bldg.
Columbia
Sept. 29, Oct. 29, Nov. 24, Dec. 29, Jan. 26, Feb. 23, Mar. 30, Apr. 27, May 25, Jun. 15

Montgomery County **Employee and Retiree Service Center**

Suite 190
Metro Park North
7361 Calhoun Pl., Rockville
Sept. 28, Oct. 26, Nov. 30, Dec. 28, Jan. 18, Feb. 22, Mar. 22, Apr. 19, May 10, Jun. 6

Prince George's County **State Highway Administration**

Right Away Conference Room, District Office
9300 Kenilworth Ave., Greenbelt
Sept. 16, Dec. 16

Prince George's County **Prince George's Community College**

Terrace Room, Largo Student Center or Conference Room 2
Largo
Oct. 13, Dec. 8, Jan. 12, April 13, May 11, Jun. 8

Queen Anne's County **Chesapeake College**

Room EDC-19, Economic Development Center
Wye Mills
Oct. 12, Nov. 8, Jan. 31, Feb. 28, Apr. 11, May 2

Washington County **Board of Education**

Human Resources Conference Room
Commonwealth Ave., Hagerstown
Sept. 10, Oct. 29, Nov. 12, Jan. 28, Mar. 18, Apr. 1, May 20, Jun. 10

Wicomico County **Salisbury Multi-Service Center**

First Floor Conference Room
201 Baptist St., Salisbury
Oct. 4, Dec. 6

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